

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
ARTESIAN WATER COMPANY, INC. FOR)
AUTHORITY TO IMPLEMENT A DSIC RATE)
EFFECTIVE JANUARY 1, 2020 PURSUANT TO) PSC DOCKET NO. 19-0747
26 *DEL. C.* §314)
(FILED NOVEMBER 15, 2019))

IN THE MATTER OF THE APPLICATION OF)
ARTESIAN WATER COMPANY, INC. FOR)
AUTHORITY TO IMPLEMENT A DSIC RATE)
EFFECTIVE JULY 1, 2020 PURSUANT TO) PSC DOCKET NO. 20-0346
26 *DEL. C.* §314)
(FILED MAY 29, 2020))

ORDER NO. 9800

AND NOW, this 12th day of May 2021, the Delaware Public Service Commission
("Commission") determines and orders the following:

WHEREAS, under the provisions of 26 *Del. C.* § 314, a water utility may calculate
and collect a "Distribution System Improvement Charge" ("DSIC Rate"), allowing it to
begin recovering depreciation expenses and a return on capital invested in "eligible
distribution system improvements" put into service between rate cases; and

WHEREAS, under 26 *Del. C.* § 314(b)(3) and (b)(5), a water utility's DSIC Rate,
once initiated, may thereafter be adjusted on a semi-annual basis to reflect eligible
improvements placed into service within the preceding six months;¹ and

¹For a more detailed description of the DSIC Rate mechanism, see PSC Order No. 5850 (Dec. 11, 2001).

WHEREAS, on November 15, 2019, Artesian Water Company, Inc. (“Artesian”) filed an application to reset its DSIC Rate from 7.41% to 7.50%, effective January 1, 2020; and

WHEREAS, on December 12, 2019, by Order No. 9510, the Commission opened Docket No. 19-0747 and approved Artesian’s application to reset its DSIC Rate to 7.50%, effective January 1, 2020, subject to Commission Staff’s (“Staff”) annual review, audit, and reconciliation of Artesian’s DSIC Rate; and

WHEREAS, on May 29, 2020, Artesian filed an application to reset its DSIC Rate from 7.50% to 7.41%, effective July 1, 2020; and

WHEREAS, on June 17, 2020, by Order No. 9605, the Commission opened Docket No. 20-0346 and approved Artesian’s application to reset its DSIC Rate to 7.41%, effective July 1, 2020, subject to Staff’s annual review, audit, and reconciliation; and

WHEREAS, given that there were no new plant additions contained in either Docket No. 19-0747 or Docket No. 20-0346, Staff’s review focused on two issues; Artesian’s overall rate of return for the twelve month period ending December 31, 2020 and the correct application of the DSIC Rate to customers’ bills; and

WHEREAS, based on its review, Staff found that Artesian’s overall rate of return did not exceed its authorized overall rate of return and that Artesian correctly applied the DSIC rates to customer bills during both DSIC effective periods; and

WHEREAS, in its May 5, 2021 memorandum to the Commission, Staff recommended that the Commission approve, as final, Artesian’s DSIC Rate of 7.50% for January 1, 2020, through June 30, 2020, and Artesian’s DSIC Rate of 7.41% for July 1, 2020 through December 31, 2020; and

WHEREAS, Staff shared its findings with Artesian and the Delaware Division of the Public Advocate, both of which agree with Staff's findings;

**NOW THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE
OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Under the provisions of 26 *Del. C.* § 314, the Commission hereby approves as final Artesian's 2020 DSIC Rates of 7.50% (effective January 1, 2020, through June 30, 2020) and 7.41% (effective July 1, 2020, through December 31, 2020), as previously allowed to go into effect by PSC Order Nos. 9510 and 9605.
2. That nothing in this Order shall preclude the examination and challenge of Artesian's claims in any base rate proceeding.
4. That the annual audit of the filings made in PSC Docket Nos. 19-0747 and 20-0346 are concluded, and these dockets are hereby closed.
5. That the Commission reserves the jurisdiction and authority to enter such further orders in these dockets as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Manubhai “Mike” Karia, Commissioner

Kim F. Drexler, Commissioner

ATTEST:

Donna Nickerson, Secretary